

Steve W. Berman, WSBA #12536  
Andrew M. Volk, WSBA #27639  
Nick Styant-Browne, WSBA #32551  
HAGENS BERMAN SOBOL SHAPIRO LLP  
1918 Eighth Avenue, Suite 3300  
Seattle, WA 98101-2609  
(206) 623-7292

Honorable Edward F. Shea

*(Additional Counsel on Signature Page)*

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF WASHINGTON  
AT SPOKANE**

PHILIP LAUE, individually and on  
behalf of all others similarly situated,  
  
Plaintiff,

v.

STERLING FINANCIAL  
CORPORATION, STERLING  
SAVINGS BANK, ROBERT G.  
BUTTERFIELD, and JOHN/JANE  
DOES 1-15,

Defendants.

Civil Action No. CV-10-0018-EFS

CLASS ACTION

**MOTION FOR ENTRY OF  
[PROPOSED] PRETRIAL ORDER  
NO. 1 CONSOLIDATING THE  
ERISA ACTIONS AND  
APPOINTING INTERIM CO-  
LEAD COUNSEL**

[Additional caption on following page]

1 LYNNE HAMMOND, Individually And  
2 On Behalf Of All Others Similarly  
Situated,

3 Plaintiff,

4 v.

5 STERLING FINANCIAL  
6 CORPORATION, WILLIAM L.  
7 EISENHART, HAROLD B. GILKEY,  
8 KATHERINE K. ANDERSON, ELLEN  
9 R.M. BOYER, JAMES P. FUGATE,  
10 JAMES B. KEEGAN, ROBERT D.  
11 LARRABEE, DONALD J. LUKES,  
MICHAEL F. REULING, WILLIAM W.  
ZUPPE, ROBERT G. BUTTERFIELD,  
and JOHN DOES 1-10,

12 Defendants

Civil Action No. CV-10-0021-EFS

13 Pursuant to Fed. R. Civ. P. 23(g) and 42(a), plaintiffs Philip Laue and Lynne  
14 Hammond (“Plaintiffs”), through their undersigned counsel, respectfully move this  
15 Court for entry of the [Proposed] Pretrial Order No. 1 consolidating the above-  
16 captioned actions (the “ERISA Actions”) and appointing Interim Co-Lead Counsel  
17 (the “Proposed Pretrial Order”). In support of their motion, Plaintiffs state as follows:

19 Plaintiffs filed their respective complaints against Sterling Financial  
20 Corporation and Sterling Savings Bank (collectively, “Sterling”), certain officers and  
21 directors of Sterling, as well as other fiduciaries of the Sterling Savings Bank  
22 Employee Savings and Investment Plan and Trust (the “Plan”) under the Employee  
23

1 Retirement Income Security Act of 1974, as amended (“ERISA”), 29 U.S.C. § 1132.<sup>1</sup>  
2 Plaintiffs are not aware of any other ERISA actions, other than those captioned above,  
3 arising out of the same operative facts pending in this or any other judicial district.<sup>2</sup>  
4

5 Plaintiffs filed the ERISA Actions individually and on behalf of a class of all  
6 persons who were participants in or beneficiaries of the Plan any time between July  
7 23, 2008 through and including the present, and whose accounts held investments in  
8 Sterling common stock. The ERISA Actions similarly allege that defendants breached  
9 their fiduciary duties owed to Plaintiffs and other members of the purported class in  
10 connection with the Plan’s investment in Sterling common stock, including, *inter alia*,  
11 by failing to monitor properly Sterling common stock as a Plan retirement investment  
12 alternative and failing to advise Plaintiffs and members of the class that Sterling  
13 common stock was an imprudent retirement investment alternative, due to, among  
14 other things, Sterling’s over-exposure to impaired or delinquent commercial real  
15 estate and construction loans, and Sterling’s failure to record adequate loan loss  
16 reserves with respect to such loans.  
17  
18  
19

20 \_\_\_\_\_  
21 <sup>1</sup> Plaintiffs Philip Laue and Lynne Hammond filed their class action complaints  
22 on January 20, 2010, and January 22, 2010, respectively.

23 <sup>2</sup> A related action was filed in this Court by plaintiff City of Roseville Employees  
24 Retirement System on December 11, 2009, 2:09-CV-00368 (EFS). That action,  
25 however, does not allege any violations of ERISA, but only violations of the federal  
26 securities laws against Sterling and two of its executive officers.

1 The ERISA Actions seek relief pursuant to Sections 409 and 502(a)(2) and (3)  
2 of ERISA, 29 U.S.C. §§ 409 and 1132(a)(2) and (3), on behalf of the Plan, alleging,  
3 *inter alia*, that the defendants are responsible for restoring losses sustained by the Plan  
4 as a result of the defendants' breaches of their fiduciary duties.

5 Because the ERISA Actions contain substantially similar allegations and seek  
6 substantially similar relief on behalf of the same proposed class of participants in and  
7 beneficiaries of the Plan, it is appropriate, in accordance with Rules 23(g) and 42(a) of  
8 Federal Rules of Civil Procedure, and the *Manual for Complex Litigation, Fourth*  
9 *Edition* (2004), for the Court to enter an Order setting forth procedures for the  
10 efficient management of this action, and appointing a Co-Leadership structure of  
11 Interim Co-Lead Counsel.  
12

13 In accordance with the recommendations of Rules 23(g) and 42(a) and the  
14 *Manual*, Plaintiffs submit for the Court's consideration a proposed form of Pretrial  
15 Order No. 1 which provides for: (1) consolidation of the ERISA Actions and any  
16 actions subsequently filed in or transferred to this District; (2) designation of a Master  
17 File Docket number; (3) establishment of efficient procedures for the filing and  
18 docketing of papers with the Clerk of this Court; (4) appointment of Hagens Berman  
19 Sobol Shapiro LLP and Harwood Feffer LLP as Interim Co-Lead Counsel; and (5) a  
20 preliminary schedule for these proceedings.  
21

22 This Motion is based on the enclosed [Proposed] Pretrial Order No. 1, the  
23 accompanying Memorandum of Law, Declaration of Steve W. Berman, Declaration of  
24 Robert I. Harwood, and all papers and pleadings in the ERISA Actions.  
25  
26

1 Dated: February 19, 2010

Respectfully submitted,

2 HAGENS BERMAN SOBOL SHAPIRO LLP

3  
4 By: s/ Steve W. Berman

5 Steve W. Berman, WSBA #12536

6 Andrew M. Volk, WSBA #27639

7 Nick Styant-Browne, WSBA #32551

8 1918 Eighth Avenue, Suite 3300

9 Seattle, WA 98101

10 Telephone: (206) 623-7292

11 Facsimile: (206) 623-0594

12 [steve@hbsslaw.com](mailto:steve@hbsslaw.com)

13 [Andrew@hbsslaw.com](mailto:Andrew@hbsslaw.com)

14 [nick@hbsslaw.com](mailto:nick@hbsslaw.com)

15 HARWOOD FEFFER LLP

16 Robert I. Harwood

17 Jeffrey M. Norton

18 488 Madison Ave., 8th Floor

19 New York, New York 10022

20 Telephone: (212) 935-7400

21  
22 *Proposed Interim Co-Lead Counsel for*  
23 *Plaintiffs*  
24  
25  
26

**CERTIFICATE OF SERVICE**

On February 19, 2010, I caused to be electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following attorneys of record:

- **Steve W. Berman**  
[steve@hbsslaw.com](mailto:steve@hbsslaw.com), [heatherw@hbsslaw.com](mailto:heatherw@hbsslaw.com)
- **Andrew M. Volk**  
[andrew@hbsslaw.com](mailto:andrew@hbsslaw.com), [dawn@hbsslaw.com](mailto:dawn@hbsslaw.com)
- **Dan Drachler**  
[ddrachler@zsz.com](mailto:ddrachler@zsz.com)

Executed this 19th day of February, 2010, in Seattle, Washington.

HAGENS BERMAN SOBOL SHAPIRO LLP

By: s/ Steve W. Berman  
Steve W. Berman, WSBA #12536